

Section 1. Minnesota Statutes 1971, Section 162.04, is amended to read:

162.04 STATE-AID HIGHWAYS; LIMITATION ON PAYMENT OF CONTRACT PRICE. Whenever the construction or improvement of any county state-aid highway is to be done by contract, the county board may agree in the contract to pay the contractor on account an amount not to exceed 90 percent of the value of the work from time to time actually completed as shown by monthly estimates thereof, made by the county engineer on the basis of the contract prices, and may further agree that when the work is 90 percent or more completed upon the recommendation of the county engineer such portions of the retained price may be released as the county board determines are not required to be retained to protect the county's interest in completion of the contract. In such case it shall be lawful for the county auditor to issue a warrant on the county treasurer to the contractor for an amount equal to the specified percentage consistent with the above prescribed limitations of the value of the work so completed and specified in the engineer's monthly estimate without allowance of a claim therefor by the county board.

Approved May 19, 1973.

CHAPTER 438—S.F.No.1835

An act relating to trust companies; permitting the purchase and investment by such companies in certain farm loan bonds; amending Minnesota Statutes 1971, Section 48.67.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Section 48.67, is amended to read:

48.67 TRUST COMPANIES; INVESTMENTS. The capital of every trust company hereafter organized, having its principal place of business in any city of less than 25,000 inhabitants, shall not be less than \$200,000; the capital of every trust company hereafter organized, having its principal place of business in a city of more than 25,000 inhabitants and less than 200,000 inhabitants, shall not be less than \$250,000; the capital of every trust company hereafter organized, having its principal place of business in a city of more than 200,000 inhabitants, shall be not less than \$500,000. There

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shall also be provided a surplus of at least 20 percent of capital in addition to such capital amounts in each case and neither the capital nor the surplus so provided shall be reduced without the approval of the commissioner of banks. No trust company hereafter organized shall transact any business until all of its authorized capital stock and required surplus have been paid in, cash, and at least 25 percent of the capital of all trust companies of \$200,000 or more, hereafter organized, has been invested in one or more of the first, second, third, and fourth classes of authorized securities and railroad bonds, as described by that statute, and also in the farm loan bonds issued by the federal land banks, federal intermediate banks, and the banks for cooperatives duly assigned and transferred to and deposited with the state treasurer, or, if its capital stock be more than \$200,000, until at least one-fourth thereof has been so invested, assigned, transferred, and deposited. The state treasurer shall submit the securities deposited to the commissioner, who shall carefully examine the securities offered for deposit and ascertain that they comply with all the provisions of law applicable thereto. Upon receipt of an order of the commissioner, the state treasurer shall issue his receipt therefor. This deposit shall be maintained unimpaired as a guaranty fund for depositors and creditors and for the faithful discharge of its duties, with the right to collect the income thereof and to substitute other like authorized securities, of equal amount and value, upon approval and order of the commissioner.

If the securities comply with the law, the commissioner shall issue his certificate of authorization for the trust company to commence business.

The capital stock of any trust company may be reduced with the approval of the commissioner, but not below the respective minimum amounts aforesaid, and no assets shall be returned to the stockholders unless its deposits of authorized securities after such return equal one-fourth of the reduced capital, in no event less than \$100,000; nor shall the liability of any stockholder upon any existing contract be affected thereby.

When two or more trust companies have been or shall hereafter be consolidated under and pursuant to the provisions of sections 49.34 to 49.41, the capital of the consolidated trust company shall be considered as substituted for the capital of the several trust companies entering into the consolidation, and the aggregate of the securities of these trust companies on deposit with the state treasurer, pursuant to the provisions of this section, shall be increased or diminished accordingly; provided, that any company may hereafter be organized, with its principal place of business at any place within the state, with a capital of not less than \$10,000, to be paid in cash, of which 50 percent shall be invested in authorized securities and deposited with the state treasurer, as

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provided in this section. The powers and business of the company so organized shall be to act as assignee under any assignment for the benefit of creditors, or be appointed and act as a trustee or receiver, as a guardian, as executor of any will, or administrator of any estate, and the company so organized may accept and perform any other lawful trust over which any court, either state or federal, has jurisdiction. This company, before entering upon the duties of its trust, shall give a corporate surety bond in such sum as the court directs, with sufficient surety, conditioned for the faithful performance of its duties. The business of any company so organized shall be limited to the above matters; provided, that the company so organized with a capital stock of \$10,000 shall not use the word "trust" in the title or name of the company.

Approved May 19, 1973.

CHAPTER 439—S.F.No.1803

An act relating to insurance; providing for assignment of interests of certificate holders under group life insurance policies; amending Minnesota Statutes 1971, Section 61A.09.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Section 61A.09, is amended to read:

61A.09 INSURANCE, LIFE; GROUP POLICIES; ASSIGNMENT OF INTERESTS. Subdivision 1. No group life insurance policy shall be issued for delivery in this state until the form thereof and the form of any certificates issued thereunder have been filed in accordance with and subject to the provisions of section 61A.02. Each person insured under such a group life insurance policy (excepting policies which insure the lives of debtors of a creditor or vendor to secure payment of indebtedness) shall be furnished a certificate of insurance issued by the insurer and containing the following:

- (a) Name and location of the insurance company;
- (b) A statement as to the insurance protection to which the certificate holder is entitled, including any changes in such protection depending on the age of the person whose life is insured;
- (c) Any and all provisions regarding the termination or reduction of the certificate holder's insurance protection;

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